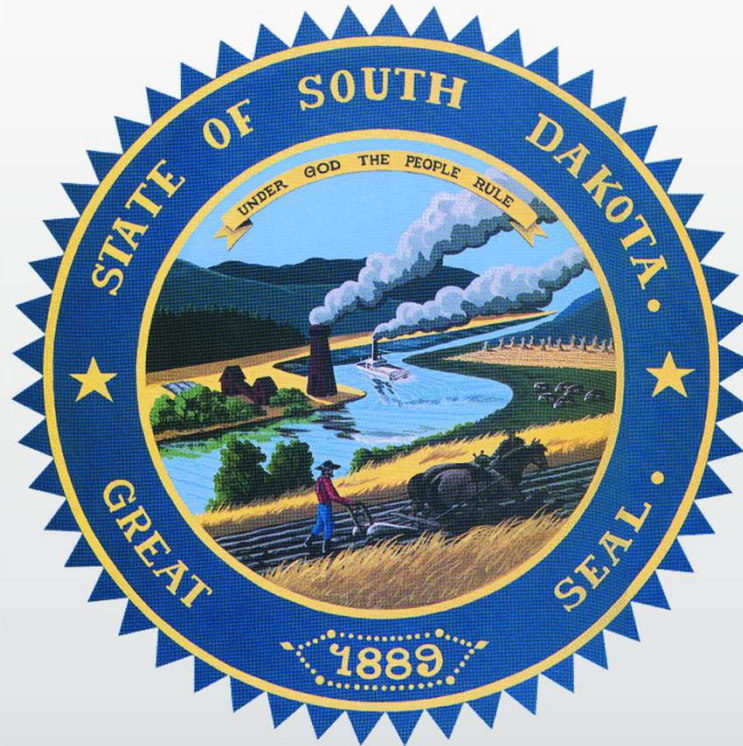


# Governor's Council of Economic Advisors



South Dakota Bureau Of Finance and Management  
May 18th, 2022

# Governor's Council of Economic Advisors

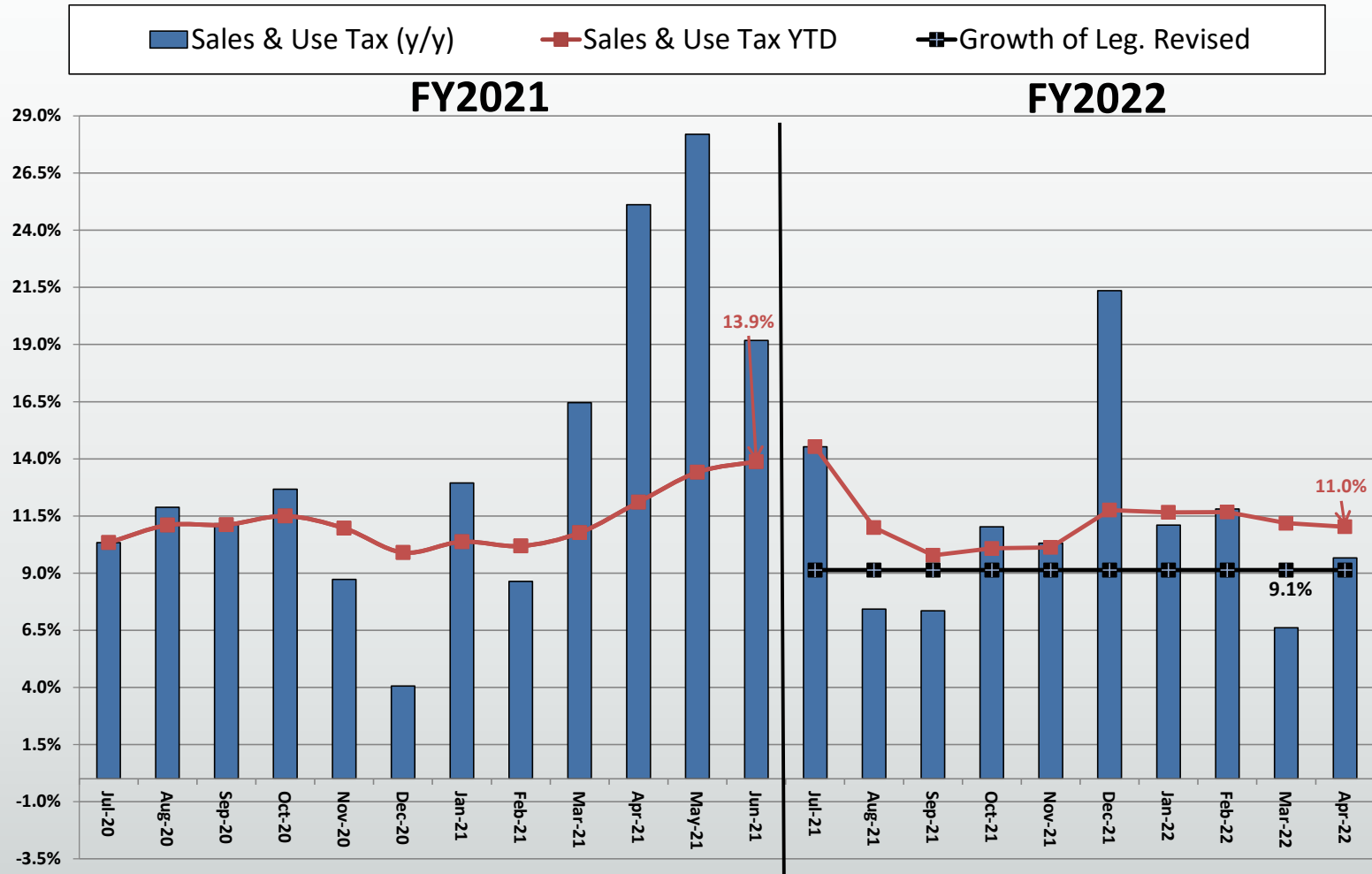
## REVENUES

# FY2022 Legislative Revised v. Actual

## Legislative Adopted FY2022 Estimate (Feb. 2022) vs. Actual Revenues Year-to-Date Through APRIL FY2022 Comparison

	Leg. Adopted APRIL YTD FY2022	Actual APRIL YTD FY2022	DOLLAR CHANGE	YTD % Chg. Actual/Adopt Comparison
<b>ONGOING RECEIPTS</b>				
Net Sales and Use Tax (excl. cost of admin)	1,115,813,553	1,136,394,271	20,580,719	1.8%
Lottery	133,155,513	134,529,286	1,373,773	1.0%
Net Contractor's Excise Tax	128,826,781	133,878,813	5,052,033	3.9%
Insurance Company Tax	93,794,151	94,956,861	1,162,710	1.2%
Unclaimed Property Receipts	65,841,152	64,728,748	(1,112,404)	-1.7%
Licenses, Permits, and Fees	52,775,541	54,344,568	1,569,027	3.0%
Tobacco Taxes	40,775,314	39,648,555	(1,126,759)	-2.8%
Trust Funds	29,512,894	29,512,894	0	0.0%
Net Transfers In (excluding one-time)	18,742,516	18,961,480	218,963	1.2%
Alcohol Beverage Tax	6,852,226	7,016,929	164,703	2.4%
Bank Franchise Tax	15,822,444	20,901,231	5,078,787	32.1%
Charges for Goods and Services	11,502,969	10,906,269	(596,700)	-5.2%
Telecommunications Tax	2,189,342	2,086,845	(102,497)	-4.7%
Severance Taxes	6,705,989	6,878,513	172,524	2.6%
Investment Income and Interest	19,508,584	19,498,586	(9,998)	-0.1%
Alcohol Beverage 2% Wholesale Tax	2,199,186	2,400,298	201,113	9.1%
<b>SUBTOTAL (ONGOING RECEIPTS)</b>	<b>\$ 1,744,018,154</b>	<b>\$ 1,776,644,147</b>	<b>\$ 32,625,993</b>	<b>1.9%</b>
<b>ONE-TIME RECEIPTS</b>				
Bank Franchise Tax Prior Year Revenue	416,316	416,316	0	0.0%
One-Time Sales and Use Tax	28,305,843	28,305,843	0	0.0%
<b>SUBTOTAL (ONE-TIME RECEIPTS)</b>	<b>\$ 28,722,159</b>	<b>\$ 28,722,159</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 1,772,740,314</b>	<b>\$ 1,805,366,307</b>	<b>\$ 32,625,993</b>	<b>1.8%</b>

# Recent Sales & Use Tax Growth Rates



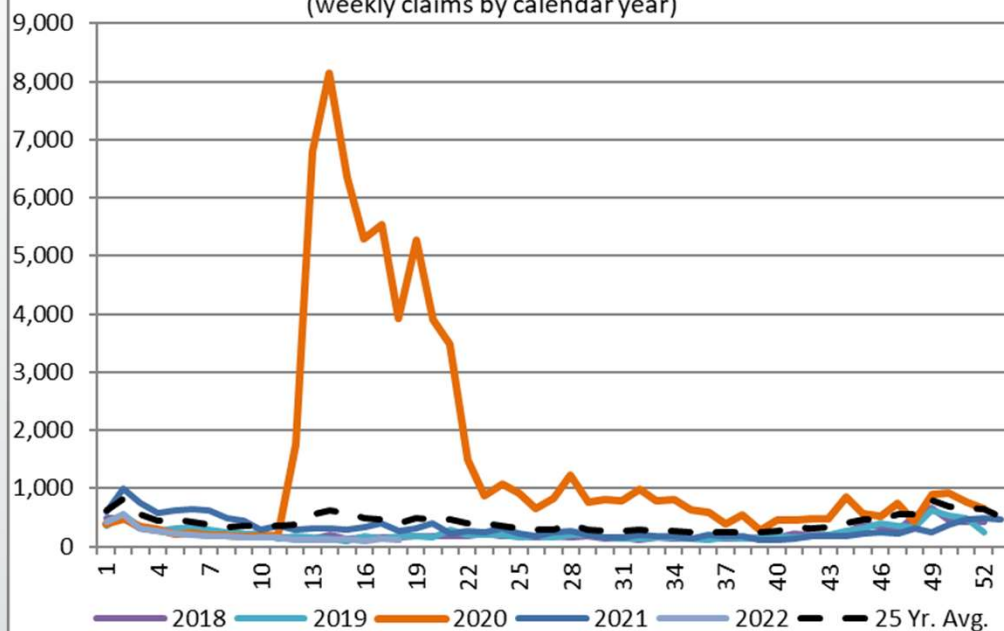
**Governor's Council of Economic Advisors**

# ECONOMIC PERFORMANCE

# Economic Metrics

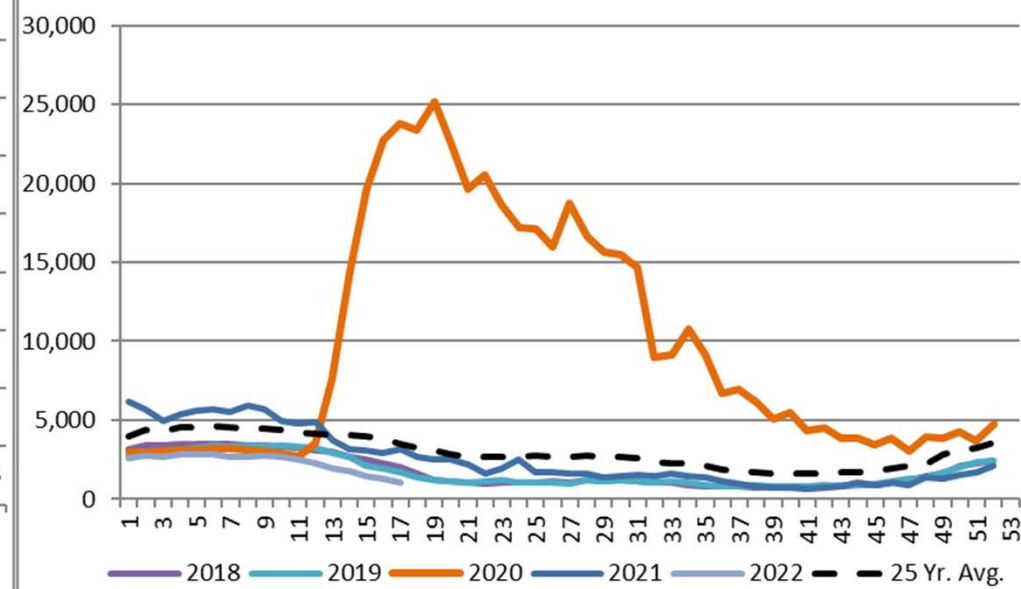
**SD Initial Claims for Reemployment Assistance**

(weekly claims by calendar year)



**SD Continuing Claims for Reemployment Assistance**

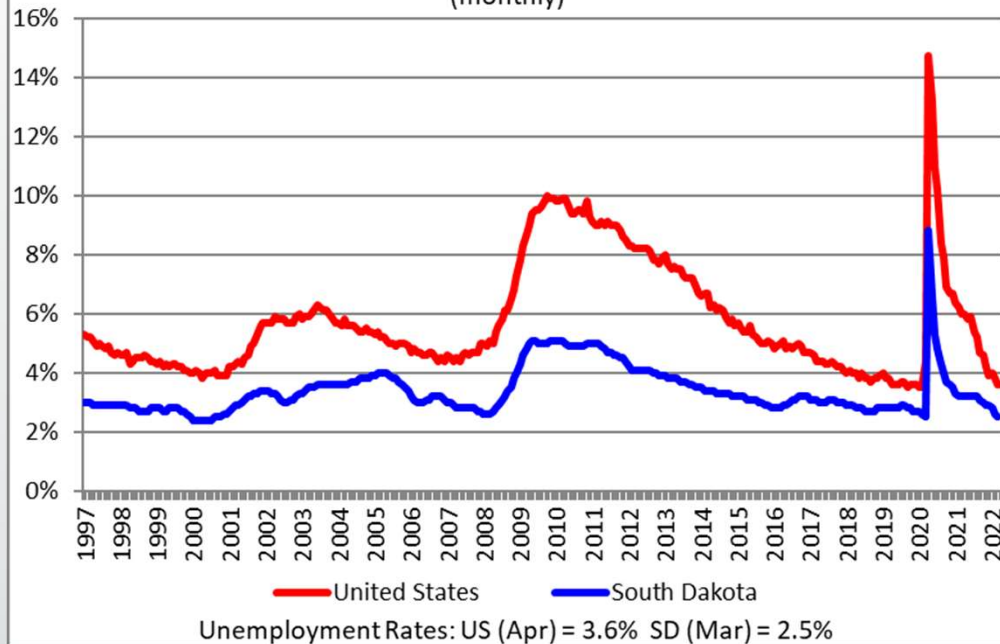
(weekly claims by calendar year)



# Economic Metrics

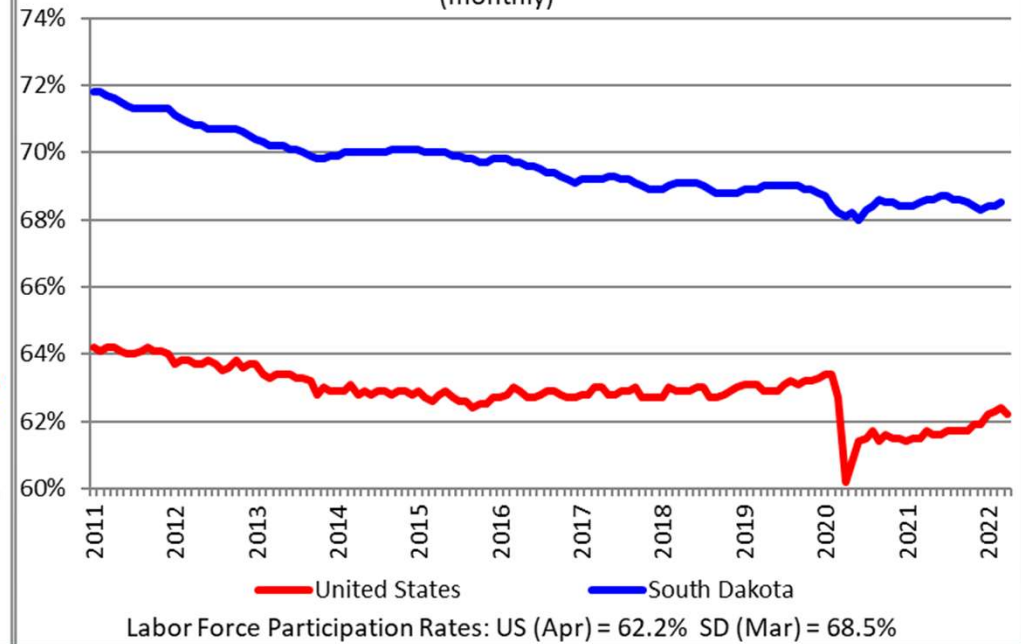
## Unemployment Rate

(monthly)



## Labor Force Participation Rate

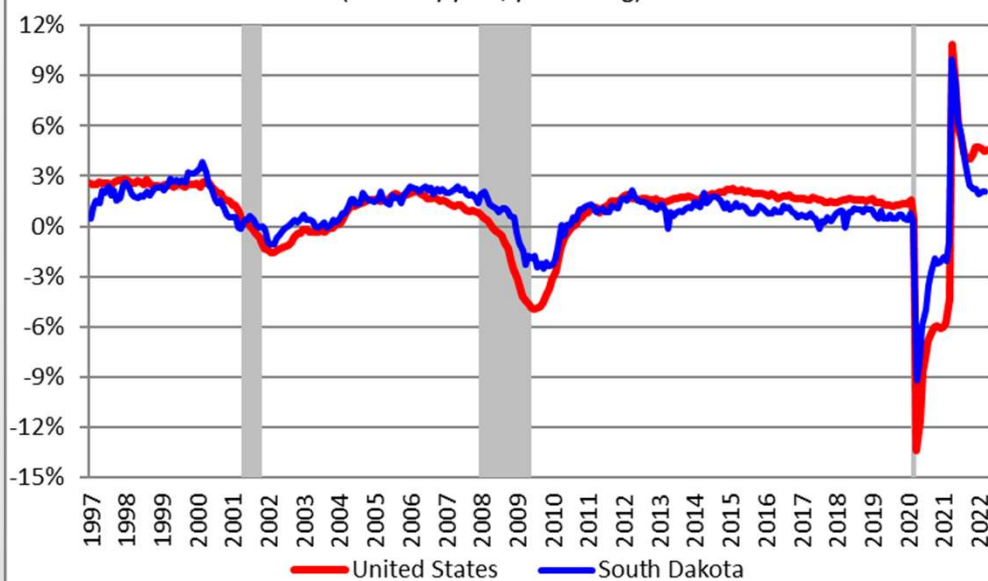
(monthly)



# Economic Metrics

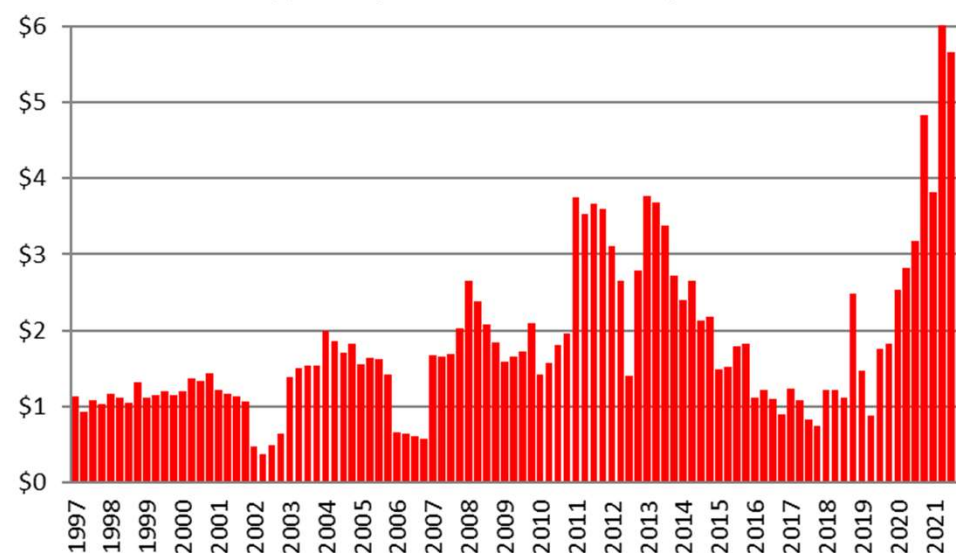
## Nonfarm Employment Growth

(monthly year/year % chg)



## South Dakota Farm Income

(quarterly levels at SAAR in billions)



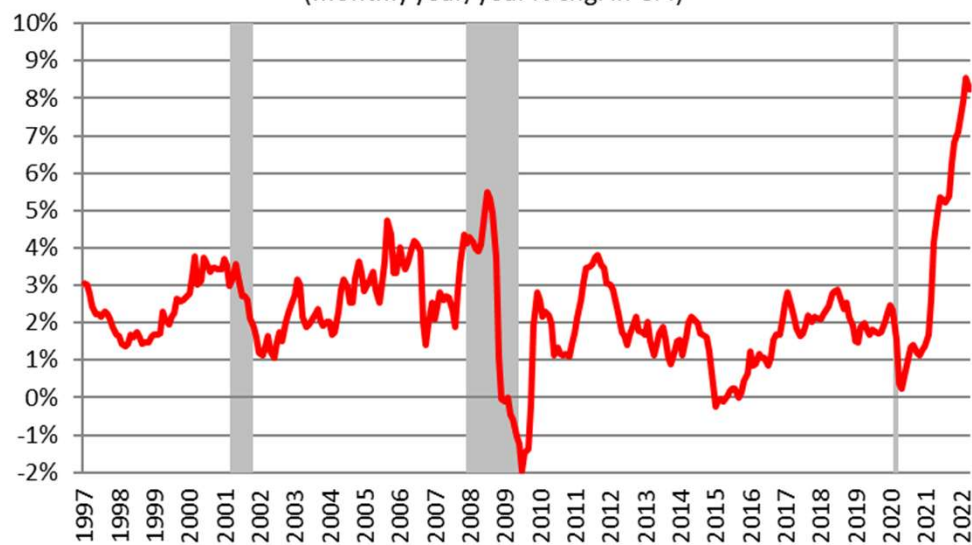
2021 4th Qtr. = \$4.08 billion (seasonally adj. annual rate)



# Economic Metrics

## U.S. Inflation

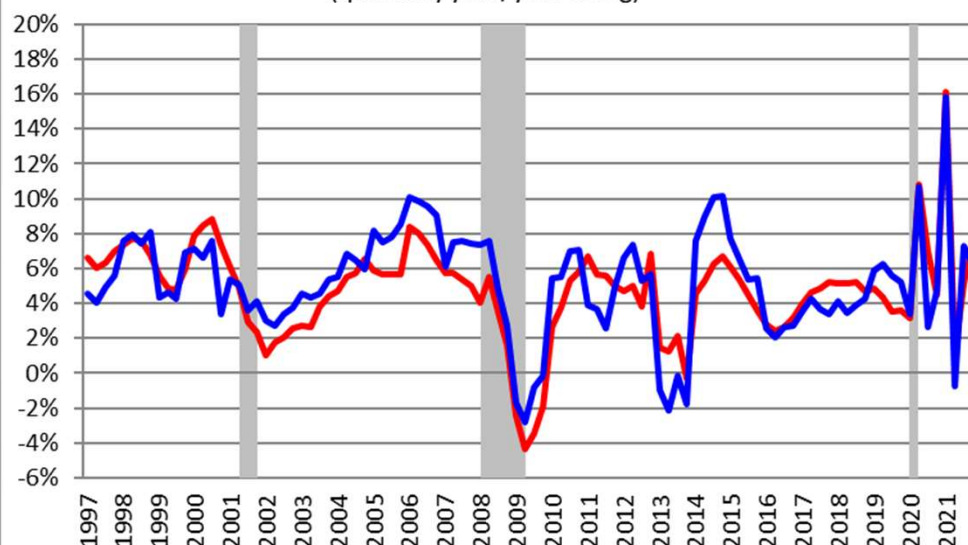
(monthly year/year % chg. in CPI)



April CPI: +8.2% compared to last year

## Nonfarm Income Growth

(quarterly year/year % chg)



— United States — South Dakota

2021 4th Qtr. y/y growth: US = 7.3% SD = 6.2%

# IHS Economics Forecast for U.S. Economy Key Indicators ( May '22)

	2017	2018	2019	2020	2021	2022 f	2023 f	'11-'21 avg.
Real GDP Growth	2.3%	2.9%	2.3%	-3.4%	5.7%	2.4%	2.4%	2.0%
Nonfarm Employment	1.6%	1.6%	1.4%	-5.8%	2.8%	3.9%	0.9%	1.1%
Personal Income	4.7%	5.1%	4.1%	6.5%	7.4%	2.7%	5.0%	4.8%
Unemployment Rate	4.4%	3.9%	3.7%	8.1%	5.4%	3.6%	4.0%	6.0%

# IHS Economics Forecast for U.S. Economy Key Indicators ( May '22)

Optimistic Scenario				Pessimistic Scenario		
	2022 f	2023 f		2022 f	2023 f	'11-'21 avg.
Real GDP Growth	3.1%	3.3%		1.2%	0.1%	2.0%
Nonfarm Employment	4.1%	1.0%		3.7%	-0.4%	1.1%
Personal Income	3.2%	6.2%		2.5%	3.5%	4.8%
Unemployment Rate	3.4%	3.7%		3.9%	5.3%	6.0%

# IHS Economics Forecast for South Dakota Key Indicators ( April '22)

	2017	2018	2019	2020	2021	2022 f	2023 f	'11-'21 avg.
SD Real GDP Growth	-0.4%	1.3%	0.4%	0.1%	4.9%	0.6%	2.9%	1.8%
SD Nonfarm Employment	0.4%	0.9%	0.6%	-3.3%	3.2%	1.6%	1.3%	0.8%
SD Nonfarm Income	3.7%	3.9%	5.7%	5.3%	7.0%	2.9%	7.0%	4.8%
SD Housing Starts	5,027	4,766	4,084	6,032	7,319	5,759	5,221	4,850
SD Unempl. Rate	3.1%	2.8%	2.8%	4.4%	3.1%	2.6%	2.7%	3.4%

**Governor's Council of Economic Advisors**

South Dakota  
Investment Council  
Presentation

**Governor's Council of Economic Advisors**

# Council Discussion

# IHS Economics Forecast for U.S. Economy Key Indicators ( May '22)

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SD Unempl. Rate	3.1%	2.8%	2.8%	4.4%	3.1%	2.6%	2.7%	3.4%



# Other Discussion Items

- Next Meeting Dates
  - October
- Other Comments
- Public Comment